

Hello, my name is Steven Carlson, and I am the manager of Warehouse Wines & Liquors in Danbury, CT. I wanted to take the opportunity to speak today about the potential consequences of Bill #5021.

Simply put, the passage of this bill the way as currently written would be extremely harmful to the many family-owned package stores throughout the state of Connecticut. I refer not to the introduction of Sunday sales but the introduction of quantity discounting, the repeal of minimum pricing, the increase of permits allowed per permittee and the abolishment of restrictions on distance between permittees and the definition of permittees. Taken as a whole, these provisions serve to foster an environment charitable to large "big-box" retailers at the expense of the small businessman.

There are now 1200 plus liquor stores in the state of Connecticut. Each one of these establishments, no matter the size, is allowed to purchase goods at the same price as any other. Furthermore, no establishment is allowed to sell any good below a reasonable price. This has produced an environment with a level playing field wherein no smaller retailer can be squeezed out by larger entities, having the power to offer the same manner of quality pricing and selection as their neighbors. If this bill should pass, this ability vanishes. Larger entities could potentially sell items at whatever price they choose, even below cost if the absorption of the revenue loss proves ultimately beneficial in hamstringing their competition. Furthermore, quantity discounting gives a clear advantage to larger entities with deeper pockets. Smaller retailers would soon find themselves unable to compete.

I speak, in part, from experience - until recently, I was also employed at a liquor store in New York State. New York has allowed quantity discounting for a number of years now. Having worked in both locations, I can say that the system we currently have in place allows for better selection and better pricing for the consumer. To get a good price on, for instance, Jack Daniels 1.75L, we in CT can buy one case. To get a similar price in NY, a retailer must buy 50 cases. This necessary outlay of money for the ability to stock one item -- one item -- at a reasonable price means that one of two things happens:

- 1) The retailer buys the 50 cases, thus making it so that many smaller, esoteric brands, no matter how good or how much in demand, cannot be afforded and thus cannot be stocked, or
- 2) The retailer buys a lesser amount of cases but now cannot offer Jack Daniels at a reasonable price.

Either scenario is damaging towards not just the retailer but the consumer - this system, in essence, forces the consumer to either sacrifice selection or price.

Additionally, removing the distance restrictions and loosening the restrictions on who can hold a permit while simultaneously increasing the number of permits one person can hold results in a clear endgame - the introduction of grocery-store and warehouse-club-backed liquor stores. While the proposal would not allow, say, Stop & Shop, to sell liquor inside their store proper, they could still do so within the same complex -- all that would be required is to wall off a portion of a given store and create a separate entrance. And they would be able to do this even if there was already a previously-established liquor store down the street, across the street or even within the same shopping complex. These grocery stores and warehouse stores are the groups that would benefit most from the previously-mentioned quantity discounting, as they possess buying power even the largest of us could never muster. How could a small family-run establishment compete in the face off all this? They couldn't.

The result would be a wave of store closures across the state. Hundreds of currently-established stores would no longer be able to compete, putting many taxpayers and consumers out of work in an economic climate that is already unfriendly towards the unemployed. Loss of fair competition, loss of jobs and ultimately loss of state revenue -- what is the positive gain from this?

Looking at the models presented from other states is interesting. Nearby states where markets sell wine like New Hampshire, Vermont and Maine are smaller states with smaller, more sparsely distributed populations. Wine in markets could be construed as necessary due to the lack of businesses and business opportunities in those areas. In Connecticut, however, we have many stores, more than a number of larger states. With wide selections, knowledgeable staff and reasonable prices, these stores serve their communities very well. The rush to overhaul the

system to favor big-box stores in the name of helping the consumer would sacrifice all of this and fail to even achieve its stated goal - limited selections, loss of experienced service and the rise of a general "cookie-cutter" mentality would do nothing but harm the consumer in the long run.

At bottom, all we really want to do is earn a living so we can provide for our families. Please, consider the impact this bill would have on our ability to do this simple, essential thing. Thank you for your time and for letting me speak.